

Financial Meltdown: A “Slow Motion Train Wreck”

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These days, financial/market punditry seems to follow two opposite lines of thinking. It ranges from the predominant view that world economies are growing and sound, problems in them minor and fixable, and current volatility (aka turmoil) is corrective, normal and a healthy reassessing and repricing of risk. Contrarians, on the other hand, believe the sky is falling. Most often, extreme views like these turn out wrong and are best avoided. Things are never that simple and hindsight usually proves only Cassandra was good at forecasting although calling market tops and bottoms wasn't her specialty.

Amidst all the commentary and sorting out of market *Sturm und Drang* these days, some financial world figures stand head and shoulders above the rest for their wisdom, level-headedness and believability. One in particular is Jeremy Grantham, called by some the philosopher king of Wall Street even though he's based to the northeast in Boston. In 1977, he co-founded Grantham, Mayo and Van Otterloo, now known as GMO. In his Quarterly Letters to clients, he assesses current market conditions and usually takes a longer view as well. His commentaries are detailed, scholarly, sober and clear.

The Vanguard Group of mutual funds founder John Bogle calls Grantham “one of the top two or three individuals in this business (and) If there's anybody in this whole business who calls a spade a spade (that person is) Jeremy Grantham.” A metaphor for his wisdom, attitude and investing style sits aside his office desk. It's a huge 9th century stone Buddha signifying “everything in moderation” and one of Grantham's core beliefs that all markets eventually revert to their mean values from their highs and lows.

Based on his company's exhaustive research, there are “no exceptions ever.” Bubbles come and go, but, in time, they all settle back in same place. As Grantham puts it: “We know one principal truth at GMO and that is that we live in a mean-reverting world in investing. (Our research) has shown....that all bubbles....eventually break (and our definition of a bubble is a) 2 standard deviation event - the kind of moves that occur about every 40 years.” Grantham mentions four stock market ones in particular that stand out - the US in 1929, US again in 1965 - 72, 1989 in Japan (in land and stocks) and the still ongoing greatest ever US 2000 bubble yet to come back to its mean.

Grantham is known in the trade as a value investor. That means buying financial assets at less than their intrinsic value or what famed investor/Columbia University professor Benjamin Graham (1894 - 1976) called a “margin of safety.” Warren Buffett today calls it “finding an outstanding company (or any financial asset) at a sensible price” as opposed to a bargain that may turn out bogus or a booby trap. Grantham correctly called the equity bubble in the late 1990s and believes the 2000 - 2003 bear market is secular, long-term, and unlikely to end before 2010 despite a continuing four year cyclical bull run reprieve from 2003 to the present. Only in the fullness of time will he, and the rest of us, know if he's

right.

Earlier in the year, Grantham toured the world for six weeks, returned worried, and wrote about it in his April Quarterly Letter titled "It's Everywhere, In Everything: The First Truly Global Bubble." It's "bubble time," he observed "from Indian antiquities to modern Chinese art; from land in Panama to Mayfair; from forestry, infrastructure, and the junkiest bonds to mundane blue chips." All the necessary conditions are in place - "fundamental economic conditions" look excellent; central bank supplied liquidity is plentiful and cheap; and there's so much around, it's easy to leverage. Since around mid-July or so, the latter condition no longer is true or perceived to be by investors turned cautious and in some cases even panicky.

Grantham explains human behavior causes bubbles when positive market conditions unleash "animal spirits" to capitalize on opportunities that get carried to extremes when there's enough cheap credit around as fuel. Even in the best of times, that's a recipe for trouble with success feeding on itself. It signals by leveraging up, the better investors can do until the music stops as it always does, and the longer and louder it's been playing, the severer the subsequent headache.

No one knows for sure when big trouble's coming next or how bad it'll be when it arrives. Up to early summer, it was smooth sailing and easy profits, but Grantham says what he sees today is unprecedented: "everyone, everywhere (in all asset classes) is reinforcing one another." Across the world you hear it confirmed that "they don't make any more land (and) with these growth rates and low interest rates, equity markets must keep rising (and) private equity (plus merger mania, huge stock buy-backs and plenty of central bank supplied fuel) will continue to drive the markets."

It's become self-reinforcing and the results are "predictable and consistent." The three major asset classes - real estate, stocks and bonds - are "expensive compared with (their) replacement cost where it can be calculated." Equally worrisome, risk premiums "reached a historic low everywhere" until just weeks ago.

Grantham's conclusion is these are all warning signs spelling eventual trouble because as noted above "Every bubble has always burst (with no exceptions, ever)." When the 2000 bubble deflation resumes, "it will be across all countries and all assets, with the probable exception of high grade bonds." In addition, risk premiums will widen (and now are) forcing companies to pay higher financing costs for borrowed funds that will depress investor confidence and reduce economic activity.

No one knows how deep or protracted a decline will be, but Grantham stresses it's coming because the current global bubble is unprecedented. "No similar global event (of this magnitude ever) occurred before." Now that's pretty scary stuff to chew on because economic troubles bite everyone and most of all those most vulnerable and least able to weather the storm. That includes ordinary working people with little or nothing invested.

During the current bull run, Grantham was troubled as early as January, 2004 when he advised clients that "The outlook for 2004 is not bad, but the (stock) market is very overpriced and all predictors look bad for the next year and the year after." As things turned out, he was wrong, or perhaps with future hindsight just way early in his judgment. He was troubled again at year end 2005 when he told investors to "prepare for a decline in the performance of equities and other risk assets in 2006." Once more, his call was either early

or wrong as the past 18 months saw considerable strength until just recently.

His January, 2007 Quarterly Letter assessed what happened saying "Against all odds, Goldilocks tiptoed through the perils of the first (2005) and second (2006) year of the Presidential Cycle...it (2006) was the rarest of rare birds - a perfect year." As a result, "risk taking also prospered" because of low global inflation, no financial crises anywhere, low interest rates, and "very very" available credit. As things turned out, "this was almost certainly the best year in the entire history of finance for the selling of high credit risks at low premiums."

One extreme measure of it was the quadrupling of so-called securitized Collateralized Debt Obligation (CDO) instruments (packages of risky and other debt) to around \$2.5 trillion facilitated by the so-called "expanded 'carry trade' of borrowing in cheap (low interest) Japanese and Swiss currencies."

Downsides often accompany opportunities, and Grantham explained conditions going into 2007 in breathtaking terms. "Goldilocks global conditions, especially cheap and easy credit, have caused the broadest overpricing of financial assets - equities, real estate, and fixed income - ever recorded." However, he stressed, "Just because risk taking is off the charts does not mean it can't keep going for another year" or longer.

The end of a Goldilocks economy was clearly on the minds of people Grantham met on his world tour. Everywhere he travelled he was asked "What is the catalyst for a (market) break" when none was then visible or imminent? He answered citing these vulnerabilities: rising inflation (that's greater than reported) constraining central bank support for a weakening economy, pointing to the US as an example. This, in turn, will slow economic activity and reduce profit margins that are still way above global norms but will come down.

Then there's the housing decline a Center for Economic Policy Research (CEPR) report shows is the result of overbuilding and home prices rocketing 70% in value since 1995 adjusted for inflation. It "created \$8 trillion in housing bubble wealth" and an unprecedented oversupply of unsold homes and "vacant ownership units." CEPR believes the coming housing bubble correction "is likely to throw the economy into a recession and quite possibly a very severe (one)."

It notes housing construction has to decline, and revaluing \$8 trillion in housing wealth excess will reduce consumption and bring saving rates "back to more normal levels." Consumers need all they can get because, at today's elevated prices, the average potential home buyer can't afford one, and, as one analyst observed, lenders are relearning how to say "no."

Current economic conditions worry PIMCO's Bill Gross as well. PIMCO is a 36 year old firm and "one of the largest specialty fixed income managers in the world." Gross is one its founders and serves as managing director and chief investment officer. In his July Investment Outlook, he said people are "looking for contagion in all the wrong places." The Bear Stearns and other hedge fund losses are "now primarily history (and) can be papered over with 100 cents on the dollar marks." The real problem lies in "those millions and millions of homes....not going anywhere....except for their mortgages....going up, up, and up....and so are delinquencies and defaults."

He cites a recent Bank of America estimate that about \$500 billion of adjustable rate

mortgages (ARMs) will be reset in 2007, another \$700 billion in 2008, and a large proportion of them are subprimes. He noted 7% of these loans are now in default, and the “percentage will grow and grow like a weed in your backyard tomato patch.” This will affect real money in the hundreds of billions of dollars of “toxic waste” that will spill over into reduced consumption, less new home construction, and even AAA-asset backed commercial paper “feel(ing) the cooling Arctic winds of a liquidity constriction.”

In Gross’ view, the sky isn’t falling, and “there is no hint yet of a true ‘crisis’ – these developments” may, in fact, have a salutary effect with “easy credit becoming less easy (and) excessive liquidity returning to more rational levels.” Gross still sees strong global growth ahead, but as a bond fund manager, he’s paid to worry.

In his report, Grantham is worried, too, and notes the housing decline affects prices, credit growth and consumption when subprime and other loan rates are reset higher with a considerable amount coming this year and even more ahead as just noted. In addition, and most significantly, he says rising inflation and widening risk premiums lower “the feasible leverage in private equity deals and place many deals that can be done today (meaning last spring) out of reach, which, in turn, has dire effects on the current stock market (and economy).”

In his current July client Letter, Grantham conceded “no areas of this unprecedented global bubble had yet gone hyperbolic like the internet and tech stocks did in 1999 (until now):” The “candidate” is “the growth rate of leveraged loans. At (a hugely speculative) \$545 billion for the first half of this year, it is running 60% up on last year” that’s about the same size gain dot.com and tech stocks made year over year in 1999 with painful consequences not far behind for investors owning them.

Grantham’s July commentary mentioned one other likely market headwind after the 2008 election. It’s the expected fallout from “piling on” moves of “more wealth to the wealthy by shifting more of the tax load to sales and income taxes of average taxpayers and away from the capital gains and dividend taxes of the wealthy.” It means “ordinary working stiffs are not doing particularly well....and are getting antsy” enough to worry politicians to raise taxes on the most well-off.

Grantham expects them to come in higher taxes on capital gains, dividends and top-end ordinary income rates as well as redefining what income is. That will mean more of it will be taxed to reduce the gross disparity between what rich and ordinary folks now pay, and not a moment too soon for those championing fairness, not special privilege. If this happens, however, it “will not be good for the animal spirits of investors” who represent the most important bubble-sustaining input.

Grantham sums up his current thinking with what he calls a “torture(d) analogy.” He compares the global financial system to a giant suspension bridge. “Thousands of bolts hold it together. Today a few of them have fractures and one or two seem to have failed completely. The bridge, however, with typical redundancy built in (unlike the Minnesota one that collapsed), can (easily) take a few failed bolts, perhaps quite a few....This global financial structure is far too large and has far too many interlocking pieces for weakening US house prices and a few subprime issues to bring it down.”

What is worrisome is whether or when we reach a “broad-based level of financial metal

fatigue” causing simultaneous multiple bolt failures “with ultimately disastrous consequences.” What’s also scary is the global financial structure is heavily “faith based, held together by unprecedented amounts of animal spirits” moving in the same positive direction. If the faith wanes, it’s then “every man for himself” and look out below.

Also worrisome, but so far contained, is growing subprime mortgage trouble. Until a month ago, equity markets were totally unaffected and may bounce back from their current sell-off. Grantham isn’t panicking but shows concern about flat to declining home prices, a high inventory of unsold homes likely moving higher, and mortgage “honeymoon rate” reset increases up to 2.5 points coming soon for holders “already stretched.” We’re told, he says, that even the subprime market is “contained,” but we have to wonder if “the container, in this case, will turn out to be Pandora’s.”

Then there’s a slowing economy, inflation concerns, high oil and other industrial commodity prices and now agricultural ones as well “boosted by ethanol production” pressuring consumers. “So two of the three great asset classes (now all three) are having the wobbles in some of their components” – real estate and low grade debt (and since mid-July equities and other type debt instruments as well), “especially real-estate related but increasingly including corporate loans and private equity funding....”

Grantham may have written this commentary before the the July-mid-August equity market sell-off. However, based on his prior (and long-standing) comments, his current analysis probably still holds true: “stocks (will likely) make it through this third (and traditionally strongest) year of the Presidential (four year market) Cycle.” The third year in the Cycle “has never declined materially and should be considered the bane of short sellers (and equity market naysayers) everywhere.”

In sum, Grantham says, “a few more bolts in the bridge may fail, but in the end you have to bet the bridge will hold, supported by amazing animal spirits.” At least that’s true up to October when the fourth year of the Cycle begins. Then, the “odds of failure rise” but won’t likely become high until October, 2008 with a new administration and Congress soon to take power. Grantham then gets blunt stating “based on history” (and tax increases he expects), that’s the most likely time for a bear market, and he’s betting on one that could be nasty.

He concludes saying he’s been trying to come up with a simple way to explain “how serious the situation is for the overstretched, overleveraged financial system.” He does it this way: “In 5 years I expect....at least one major bank (broadly defined) to have failed and up to half the hedge funds and a substantial percentage of the private equity firms in existence today (to have) simply ceased to exist.”

He continues saying he’s been too bearish at times in the past 12 years but his language “has almost never been this dire.” His feeling is that today we’re “watching a very slow motion train wreck” beyond the point of stopping so watch out ahead. It’s a good idea to be cautious and prepare. If he’s right and economic conditions deteriorate enough, everyone will be affected through job and income losses along with investors losing big from speculative and other investments. All financial bubbles end. Sadly, even those not participating in them get burned, especially those most vulnerable and least able to ride out the storm that could be mean, nasty and long.

Engineering the Coming Wreck

Back in October, 2002, Grantham took aim at a financial icon Wall Street and the financial press practically defied when he chaired the Federal Reserve from August, 1987 to end of January, 2006. It didn't matter to them (and still doesn't) that he engineered the largest ever stock market bubble and bust in history through incompetence, timidity, dereliction of duty or a combination of all three. In their eyes, Alan Greenspan was above reproach. He could do no wrong, and here's why. His policies made it possible for wealthy and powerful investors to cash in big as long as the party lasted, and then get plenty of advance warning when to exit.

Most ordinary investors, on the other hand, were caught flat-footed based on advice from market pundit fraudsters with Mr. Greenspan most deceptive and influential of all. In January, 2000, just weeks short of the market peak, he claimed "the American economy was experiencing a once-in-a-century acceleration of innovation, which propelled forward productivity, output, corporate profits and stock prices at a pace not seen in generations, if ever."

Grantham's reply to this outburst: "Phew!" He might have also drawn an analogy to famed Yale University economics professor Irving Fisher's comments just before the 1929 stock market crash. He claimed economic fundamentals in the country were strong, the stock market was undervalued, and an unending period of prosperity lay ahead. It just took over a decade to arrive and plenty of pain to go around before it did.

Grantham spared Fisher, but bashed Greenspan saying: "The internet (highlighted by the dot.com bubble), which had 'pushed back the fog of uncertainty' for corporations, was his particular pet." It's hard to believe now Greenspan actually said: "Lofty equity prices have reduced the cost of capital. The result has been a veritable explosion of spending on high-tech equipment....And I see nothing to suggest that these opportunities will peter out anytime soon....Indeed many argue that the pace of innovation will continue to quicken....to exploit the still largely untapped potential for e-commerce, especially the business-to-business arena."

One week later, the Nasdaq peaked at 5048 and fell to a low of 1114 on October 9, 2002 losing 78% of its value. The broadly based S&P 500 stock index merely dropped from its March 24, 2000 high of 1527 to an October 9, 2002 bottom at 777 for a loss of 49%. Mr. Greenspan was nowhere in sight but was busy reengineering phase two of the bubble with a tsunami of easy money. His successor now continues the same policy despite his high-sounding Fed-speak concerns for inflation and a stable economy. Call it more Fed-baloney pointing to the obvious eventual consequences ahead. The Fed-built credit bubble and other excesses are unwinding. Before it's over, they'll be plenty of pain to go around and another culpable Fed Chairman claiming no responsibility and being able to get away with it.

Grantham was clearly upset in October, 2002 and made his views known to investors. His commentary was titled "Feet of Clay - Alan Greenspan's Contribution to the Great American Equity Bubble." He started out with a Fed Chairman's job description saying "In its earlier years, the Fed's emphasis seems to have been on economic activity....By the nineties, the heavy emphasis (shifted) to inflation control." Both objectives are "critical to stability," because the Fed's "underlying job" is to maintain "general economic stability," not fuel bubbles. "Nothing threatens (that stability) more than the deflating of a major stock market bubble." It's the Fed's job to spot and moderate them in time and be willing "to bear the (political) consequences" for its actions. Alan Greenspan failed on all counts.

“Did he see the (largest in US history) bubble coming,” Grantham asked? He provided generous amounts of liquidity fueling it, and when things began getting out of hand, all he did was suggest “irrational exuberance” might have “unduly escalated asset values” in a December, 1996 speech. He did nothing to curb it then or thereafter whereas he could have raised interest rates, margin requirements and added a lot more jawboning persuasion to cool an overheated market and restore stability.

Grantham was clear and emphatic: “Had Greenspan been prepared to use all the tools available and shown his determination, it almost certainly would have worked” enough to prevent the market plunge after March, 2000. Not only did he fail to act, but he then denied all responsibility for what Grantham called “the Greenspan fiasco....he has overtaken my efforts with his breathtakingly shameless and complete denial of responsibility....he seems to have believed....this new era nonsense (at its) March 2000 (peak more completely) than anyone else....the title of ‘most credulous’ (and Fed Chairman) belong to the same man.” By his concocted “logic,” he’d have “fail(ed) a Finance 101 final.”

Even worse, Greenspan “had the knowledge, experience, and belief and failed to act.” Yet, to this day he’s gotten away with it. He’s still extolled in lofty terms, practically elevated to the ranks of sainthood, and is now retired to new “green” pastures of lucrative book deals and speaking engagements (at \$100,000 fees) where his every word is still taken as market gospel. In addition, Greenspan Associates began operating in May with his lawyer, Robert Barnett, saying “virtually every major investment-banking firm” in the world is eager to hire him for his rainmaking connections. Better those than his advice best avoided.

The Greenspan legacy got Grantham to conclude: “You can indeed ‘fool most of the people all of the time.’ ‘Most of the people’ this time probably included Her Majesty who (days earlier on September 26) knighted (Sir Alan) for his global services. My secret hope though is that she justified it by having had a good short position for the last 3 years.” Or “short” of that, been tipped off in time to bail out at the top and let her subjects take the pain.

Engineering the Coming Wreck - Part II

Other than rampaging armies on the move, no institution anywhere has more power than central banks. And no central bank has more of it than the US Federal Reserve unless it’s the secretive, unaccountable Bank of International Settlements (BIS) founded in 1930 and based in Basle, Switzerland. The BIS is central banker to its member banks (a sort of financial boss of bosses) that includes the Federal Reserve.

Some savvy financial experts believe the world’s ruling elites control this bank of banks and intend using it to establish a global borderless financial world controlled by them. It’s no hairbrained conclusion with the European Union in place, talk of a similar one in Africa, and a North American Security and Prosperity Partnership arrangement coming to a head that will create a borderless continent headquartered in Washington and likely will aim next to link with the EU for greater global control.

So what’s important about the Fed, and why should we care? Despite common belief, the Federal Reserve is not a government agency. It’s a privately owned for profit cartel of powerful banks (including Wall Street ones) protected by law, even though the Federal Reserve Act of 1913 violates the US Constitution. It’s Article I, Section 8 states “The Congress shall have Power To coin Money (and) regulate the Value thereof...” In 1935, the Supreme Court ruled only Congress has this power and cannot constitutionally delegate it to

another group or body, and that includes private for profit bankers running the Fed.

Simply put, commercial banks in charge of printing and controlling the nation's money supply constitutes criminal fraud. It's the reason the Federal Reserve was designed to look like a government agency when, in fact, it isn't. Being headquartered in Washington in the stately mausoleum-looking Eccles building is just part of the clever subterfuge.

But it's even worse than that. By establishing the Federal Reserve, Congress and President Woodrow Wilson privatized the nation's money creation system relinquishing the most important power governments have that got famed banker Baron MA Rothschild once to say: "Give me control over a nation's currency and I care not who makes its laws."

Ever since US private bankers got it, they've been empowered to print money in any amount, control its supply and price, and benefit hugely by loaning it out for profit. That includes making government pay interest on its own money it wouldn't have to do by printing its own. This amounts to no less than government sanctioning the right to counterfeit the national currency for private gain with the Fed and private bankers being world class pirates masquerading as guardians of the public interest.

It's no exaggeration to call this the all-time, greatest ever financial scam, still ongoing, and totally beyond the reach of public or any other type scrutiny. If there were any, it would be learned this institution was created as a scheme to transfer wealth from ordinary people to giant banks and Wall Street. It's worked like a charm, and few people are the wiser.

But there's more still to the story, and it keeps getting uglier. Supposedly, the Federal Reserve was established to stabilize the economy; smooth out the business cycle; maintain a steady, healthy rate of sustainable growth; create price stability and control inflation; and work for the betterment of everyone. So let's grade it on its performance.

Since 1913, we had economic crashes in 1921, and the major one in 1929 followed by The Great Depression lasting until the outbreak of WW II. Post-war, we then had recessions in 1953, 1957, 1969, 1975, 1981, 1990, 2001, and we're likely heading for future major trouble resulting from past Fed policy abuses under Alan Greenspan and his successor, Ben Bernanke, carrying on in the same fashion. We also had a serious inflation problem beginning in the 1960s that became crisis-level severe in the 1970s and early 80s. In addition, in the wake of reckless financial market deregulation in the 1980s and lack of government oversight (with the Fed's blessing), we had a major financial crisis causing more bank failures than ever before or since in our history.

Further still, under the Fed, we've had -

- soaring consumer debt;
- record high federal budget and current account deficits;
- an off-the-charts national debt, far higher than the fictitious reported number;
- a high and rising level of personal bankruptcies and mortgage loan delinquencies and defaults;
- an enormous government debt service obligation we're taxed to pay for;

- the systematic loss of manufacturing and other high-paying jobs to low-wage countries;
- a secular declining economy, 84% service-based, and mostly comprised of low-wage, low or no-benefit, non-unionized jobs;
- an unprecedented wealth gap disparity;
- growing rates of poverty in the richest country in the world;
- a decline of essential social services; and
- a lawless nation devoted to militarism and imperial conquest with the Federal Reserve complicit in supplying all the funds needed to fuel it, and all the while caring not for the public interest it's supposed to serve.

This type record adds up to a clear conclusion. Above all else, the Federal Reserve failed to accomplish what it's supposed to do revealing instead what's really going on. The Fed doesn't serve the public interest. It abuses it because that's how bankers and all corporate predators make money. In the world of finance, ordinary people lose out because giant banks and Wall Street are allowed to pull off the grandest of grand thefts, their thievery continues unabated, and the stakes keep rising.

Some astute financial observers now believe current excesses and resulting turmoil were caused by the intentional engineering of the US housing bubble with the Fed in on the scheme. Insiders made loads of easy money in the process and now stand to cash in big buying troubled assets for a fraction of their value the way they always do in the wake of market meltdowns. It's called "vulture" investing with shrewd buyers profiting hugely in good and bad times that are all good for them.

One analyst calls the subprime mortgage turbulence a global bank run with potential huge yet to emerge consequences. Writer Danny Schechter has another view in his article titled: "Subprime Or Subcrime? Time to Investigate and Prosecute," and he makes a strong case. He calls the subprime credit squeeze a "sub-crime ponzi scheme (causing) millions of people (to lose) their homes because of criminal and fraudulent tactics used by financial institutions (posing) as respectable players in a highly rigged casino-like market system." There's nothing free and open about it.

The problem is deep, structural and aided by stripped away regulatory protections giving predatory lenders and Wall Street schemers free reign to target unsuspecting victims. Part of Schechter's fix is calling for a "jailout," not a "bailout," but with friends in high places, don't bet on it beyond a small fry or two. It's sad and disturbing because this type behavior is part of the American "ethic" to scheme, defraud and prey on the innocent knowing big players nearly always get away with it, and under George Bush, it's practically guaranteed.

With a clear field ahead and friends in high places, the "Masters of the Universe" are now heading for their perfect kind of buying opportunity if Jeremy Grantham and other worriers are right. Manipulation aside, Grantham's persuasive evidence suggests we're watching an unstoppable "very slow motion train wreck" likely to be pretty ugly on "impact." By his reckoning, it's probably too late to undue the enormous damage done no one will escape from. His advice is that to be forewarned is forearmed to prepare as best as possible although for most people it's practically impossible.

It's a good time to think of the ancient Chinese proverb, that's, in fact, a curse and not of Chinese origin, but it sounds good saying it is: "May you live in interesting times." Whoever coined the phrase intended it to be ironic and "interesting" meant dangerous, turbulent or uncertain. That, indeed, is true now but to what degree we'll only know in the fullness of time.

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